

## Message Text

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PAGE 01 COPENH 01139 051845Z

63

ACTION EB-07

INFO OCT-01 EUR-12 ISO-00 SP-02 L-03 H-02 CIAE-00 INR-07

NSAE-00 PA-02 PRS-01 USIA-15 CIEP-02 OPIC-06 AGR-10

COME-00 OMB-01 TRSE-00 FRB-01 STR-04 CEA-01 JUSE-00

/077 W

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R 051500Z APR 76

FM AMEMBASSY COPENHAGEN

TO SECSTATE WASHDC 2454

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

USMISSION EC BRUSSELS

AMEMBASSY DUBLIN

AMEMBASSY THE HAGUE

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY STOCKHOLM

UNCLAS COPENHAGEN 1139

EO 11652: N/A

TAGS: ETRD, DA

SUBJ: DANISH SUBSIDIARY OF US CORN PRODUCTS FIRM CHARGED WITH  
FRAUDULENT EC TRANSACTIONS

1. ACCORDING TO COPENHAGEN DAILIES OF APRIL 2,  
CPC DENMARK A/S, THE DANISH SUBSIDIARY OF THE U.S.  
FIRM CPC INTERNATIONAL, INC. (FORMERLY CORN PRODUCTS CO.)  
HAS BEEN CHARGED WITH EC FRAUD IN EXCESS OF DKR. 2.2  
MILLION.

2. IN 1973, WITH THE RAPID RISE IN WORLD MARKET RICE  
PRICES, THE EC IMPOSED A BAN ON RICE EXPORTS IN ORDER  
TO PREVENT RICE FROM ITALY FROM BEING SOLD OUTSIDE THE EC.  
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PAGE 02 COPENH 01139 051845Z

THE BAN LASTED ONE MONTH AND WAS THEN FOLLOWED BY THE

IMPOSITION OF EXPORT DUTIES ON RICE OF 100-120  
PERCENT.

3. CPC DENMARK REPORTEDLY PURCHASED OVER 700 TONS  
OF RICE FROM ITALY IN LATE 1973 AND PLACED IT IN A  
BONDED WAREHOUSE IN COPENHAGEN. HOWEVER, IN APRIL  
1974 WHEN DANISH CUSTOMS AUTHORITIES BECAME  
SUSPICIOUS THEY CHECKED THE STOCKS AND FINDING THEM  
COMPLETELY DEPLETED LEARNED THAT THE FIRM HAD SOLD  
720 TONS OF RICE TO SWEDEN.

4. ACCORDING TO THE NEWSPAPER REPORTS THE SALES  
MANAGER OF THE DANISH FIRM AND TWO OF HIS COLLEAGUES  
ADMITTED PREPARING FORGED INVOICES WHICH INDICATED  
THAT THE RICE IN QUESTION HAD BEEN PURCHASED FROM  
THAILAND AND CHINA. IN CLAIMING THAT THE RICE HAD  
BEEN SO PURCHASED THE EXPORTERS AVOIDED PAYMENT  
OF MORE THAN DKR. 2.2. MILLION IN CUSTOMS DUTIES.

5. THE POLICE HAVE NOW CHARGED THE THREE EMPLOYEES  
OF CPC DENMARK A/S WITH FRAUD. IF FOUND GUILTY  
THEY FACE UP TO TWO YEARS' IMPRISONMENT. THE  
COMPANY, WHICH HAS PAID BACK THE 2.2 MILLION KRONER,  
WILL BE FINED. THE DANISH MANAGEMENT OF THE  
COMPANY DENIES HAVING BEEN AWARE OF THE FRAUDULENT  
TRANSACTIONS.  
DEAN

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** EXPORTS, CORN, ALLEGATIONS, FRAUDS, STOCKPILES, BONDED WAREHOUSES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 05 APR 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1976COPENH01139  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D760128-0176  
**From:** COPENHAGEN  
**Handling Restrictions:** n/a  
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**Office:** ACTION EB  
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**Previous Classification:** n/a  
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**Reference:** n/a  
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**Subject:** DANISH SUBSIDIARY OF US CORN PRODUCTS FIRM CHARGED WITH FRAUDULENT EC TRANSACTIONS  
**TAGS:** ETRD, DA, US, SW, CPC DENMARK A/S, CPC INTERNATIONAL INC, CORN PRODUCTS CO  
**To:** STATE  
**Type:** TE  
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